

SECTION 4 BACKGROUND

4.1 Mission, Vision and Values

Within the Department of Economic Security (DES), the Division of Developmental Disabilities (the Division or DDD) is responsible for providing community developmental services and supports to over 16,000 Arizonans with developmental disabilities and acute care only or case management only to an additional 5,000 Arizonans with developmental disabilities. In carrying out this responsibility, the Division's mission is:

“To support the choices of individuals with disabilities and their families by promoting and providing within communities, flexible, quality, consumer-driven services and supports.”

The Division's vision is:

“Individuals with developmental disabilities are valued members of their communities and are involved and participating based on their own choices.”

This results in the Division supporting a program that values:

- ❑ Healthy relationships with people;
- ❑ Individual and family priorities and choices;
- ❑ Equal access to quality services and supports for all individuals and families;
- ❑ Partnerships and ongoing communication with individuals, family members, advocates, providers, and community members;
- ❑ Developmental approaches – changing conditions that affect people rather than changing people who are affected by conditions;
- ❑ Individual freedom from abuse, neglect and exploitation with a balance between the right to make choices and experience life and individual safety;
- ❑ A diverse workforce that is motivated, skilled and knowledgeable of and uses the most effective practices known;
- ❑ An environment rich in diversity in which each person is respected and has the opportunity to reach their optimal potential;
- ❑ An individual's right to choose to participate in and contribute to all aspects of home and community life;

- ❑ A system of services and supports which are:
 - Responsive – timely and flexible responses to internal and external customers;
 - Strength based – recognizing people’s strengths, promoting self-reliance, enhancing confidence and building on community assets;
 - Effective – ongoing identification of effective methods and practices and incorporation of those practices into operations; and
 - Accountable – to our customers and to the taxpayers.

4.2 Program Eligibility

To be eligible for services a person must be an Arizona resident who has a chronic disability that:

- ❑ Is attributable to mental retardation, cerebral palsy, epilepsy or autism;
- ❑ Was manifested before the age of 18;
- ❑ Is likely to continue indefinitely; and
- ❑ Reflects the need for a combination and sequence of individually planned or coordinated special, interdisciplinary or generic care, treatment or other services that are of lifelong or extended duration.

The disability also must result in substantial functional limitations in three or more of the following areas of major life activity:

- ❑ Self-care
- ❑ Receptive and expressive language
- ❑ Learning
- ❑ Mobility
- ❑ Self-direction
- ❑ Capacity for independent living
- ❑ Economic self-sufficiency

Children under the age of six years may be eligible for services if there is a strongly demonstrated potential that the child is or will become developmentally disabled but for whom no formal diagnosis has been made.

Individuals who are determined eligible for services through the Division may also be eligible for services through the Arizona Long Term Care System (ALTCS) program administered by the Arizona Health Care Cost Containment System Administration (AHCCCSA). Individuals who may be eligible for ALTCS are referred to AHCCCSA for ALTCS eligibility determination. (See A.R.S. 36-559 and Arizona Administrative Code (A.A.C.), Chapter 6, Title 6, Articles 3, 4 and 5 for a more detailed description of the eligibility determination process.)

4.3 Program Description

In State Fiscal Year 2002, the Division provided Habilitation, Music services to approximately 850 consumers through agency providers. Table 4.1 below depicts the number of consumers who received Habilitation, Music services from agency providers by district and in total during State Fiscal Year 2002.

Table 4.1
Number of Consumers Receiving Habilitation, Music by District
State Fiscal Year 2002

District 1	District 2	District 3	District 4	District 5	District 6	Total
729	1	121	0	0	1	852

The table shows that about 86% of consumers that received Habilitation, Music services from the Division in State Fiscal Year 2002 resided in District 1 and about 14% resided in District 2.

The Division coordinates services and resources through a central administrative office, District offices and local offices in various communities throughout the state. A comprehensive array of services are provided to consumers based on the person's identified needs, State and/or Federal guidelines and, when applicable, the availability of funds. While the Division provides a limited number of services directly, the majority of services are provided through contracts with individuals or provider agencies. These contracted services include support coordination services, home- and community-based services, institutional services and acute care services. Some of the services, such as acute care services, are available only to certain consumers. (See A.R.S. 36-558 and *DES/DDD Policy and Procedure Manual*, available on the Division's website www.de.state.az.us/ddd, for a more detailed description of Division services.) Wherever possible, prior to authorizing services, the Division looks first at services or other forms of assistance that may be provided through existing community resources or family members.

Division services are funded through various means – Title XIX Medicaid (Federal and State matching monies) and State appropriations, with some additional funding available through Title XX and grants. However, Title XIX is the principle source of funds. The Division receives monthly capitation payments from AHCCCSA to deliver acute and long term care services to eligible ALTCS consumers and targeted case management services to Arizona Health Care Cost Containment System (AHCCCS)-eligible consumers. These funds, in turn, are appropriated by the Arizona State Legislature to DES/DDD for expenditure.

Home- and community-based service costs for ALTCS-eligible consumers must not exceed the cost of an Intermediate Care Facility/Mental Retardation (ICF/MR) placement, unless the Division requests and receives approval from AHCCCSA. For total service costs, which exceed 80% of an ICF/MR placement, the Division must conduct a cost effectiveness study; including development of a plan to prospectively reduce the costs over the next six months. (See *DES/DDD Policy and Procedures Manual – Chapter 905*.)

4.4 Consumer Choice

Building upon its core mission and value statements, the Division has, over the past several years, begun an initiative to move its current program toward a model of self-determination – promoting and increasing consumer and family control over the purchase and selection of services and providers. Recent amendments to A.R.S. §36-557 and the implementation of rules pursuant to A.R.S. §36-557 establish consumer choice of providers in law and rule. Consumer choice will be the basis for provider selection. The responsibilities and roles which were formerly the primary responsibility of the Division are now meaningfully shifted to consumers and Qualified Vendors. Two new roles for the Division are to facilitate consumer choice and to assist Qualified Vendors to effectively make their program plans and availability known to consumers.

This RFQVA process, including the Qualified Vendor Application and Directory System, is designed to help the Division fulfill this new mandate. The Division will enter into Qualified Vendor Agreements with vendors that meet the minimum RFQVA requirements. Applicants will not be subject to a prospective quality evaluation of their program prior to the award of a Qualified Vendor Agreement (contract) by the Division. This is very different from all prior awards of contracts. The determination of quality service will be determined largely by consumer choice on an ongoing basis. Consumers will be able to change providers, utilize multiple providers, and encourage potential providers to apply to become a provider on an ongoing basis.

For some services, consumer choice will have some limitations. For example, group services, such as group homes and day treatment and training programs, consumer choice will be a shared responsibility of the group of consumers who will be sharing service provision. This will involve reaching consensus for a single choice among the entire group of consumers. For capacity based services, i.e., group homes or day treatment and training programs, consumer choice may be limited to Qualified Vendors who have existing capacity for service until the Division determines additional capacity is needed and can be supported by Division funding.

The Division's ability to provide services is based on available funding. Every effort will be made by the Division to effectively and efficiently provide service to all eligible consumers. It is the expectation of the Division that consumers and Qualified Vendors will assist the Division in efficient and effective service planning and delivery.

4.5 Published Rate Schedules

The published rate schedules that are referenced and incorporated into the RFQVA are the result of the statutes that mandate the Division to adopt a published rate system (see A.R.S. 36-557). The published rate schedules:

- ❑ Satisfy the legislative mandate that the Division adopt a published rate system;
- ❑ Provide a critical element to the redesigned service procurement process that is contained in this RFQVA; and
- ❑ Provide equity and simplicity to the Division's reimbursement systems.

The Division produced and distributed a Provider Letter, dated January 21, 2003 concerning the published rate schedule. The letter and its attachments address:

- ❑ The development of the Benchmark Rates through the independent rate setting process;
- ❑ The State budgetary constraints that forced, and the methodology used by the Division, to scale back the Benchmark Rates to the Adopted Rates;
- ❑ The implementation of the Adopted Rates in Fiscal Year 2004 through a phase-in process; and
- ❑ The independent rate models that were used to develop the Benchmark Rates.

The Provider Letter, and its attachments, as well as any updates to the published rate schedules may be found on the Division's web site at www.de.state.az.us/ddd. The rates for Habilitation, Music were subsequently withdraw. Prior to or concurrent with release of this RFQVA the Division will release final published rate schedules that will include rates for Habilitation, Music. These rate schedules can be found on the Division's website at www.de.state.az.us/ddd.